



House of Representatives

General Assembly

File No. 762

January Session, 2015

House Bill No. 7037

House of Representatives, May 5, 2015

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING A MUNICIPAL OPTION TO IMPOSE AN
ADMISSION SURCHARGE ON EVENTS PROMOTED BY A PRIVATE
INSTITUTION OF HIGHER EDUCATION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2015*) A municipality may, by
2 ordinance, impose a surcharge on the admission charge, as defined in
3 subdivision (3) of section 12-540 of the general statutes, for any event
4 that is held at a facility located within the municipality and sponsored
5 or promoted by a private institution of higher education in this state.
6 The amount of such surcharge shall not exceed fifty cents per
7 admission and shall be in addition to any tax otherwise applicable to
8 such admission charge. The surcharge shall be imposed on the private
9 institution of higher education that sponsors or promotes the event, or
10 any successor organization, and reimbursement for the surcharge shall
11 be collected from the purchaser upon payment of the admission
12 charge. The surcharge, when added to the admission charge, shall be a
13 debt from the purchaser to the private institution of higher education
14 that sponsored or promoted the event and shall be recoverable at law.

15 The private institution of higher education that sponsored or promoted
16 the event, or any successor organization, shall remit the total amount
17 of all surcharges imposed pursuant to this section to the municipality
18 not later than thirty days after the date of the event.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2015</i>	New section
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FIN *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	Revenue Gain	Potential	Potential

Explanation

The bill allows municipalities to impose a surcharge on any admissions charge issued by a private higher educational institution for an event sponsored or promoted by the institution.

There is a revenue gain to municipalities that host events conducted by private higher educational institutions and choose to impose a surcharge. This revenue gain would vary based on: 1) the number of events hosted by such institutions, and 2) the surcharge imposed.

As an illustration, Quinnipiac University estimates that, in the past year, 120,000 people attended ticketed sporting events on campus in Hamden. If Hamden collected a 50 cent surcharge per admission (the most allowed by the bill), the revenue gain to the Town would have been \$60,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to surcharges levied by municipalities.

Sources: Public Hearing Testimony, Finance Committee, 4/15/15

OLR Bill Analysis**HB 7037*****AN ACT CONCERNING A MUNICIPAL OPTION TO IMPOSE AN ADMISSION SURCHARGE ON EVENTS PROMOTED BY A PRIVATE INSTITUTION OF HIGHER EDUCATION.*****SUMMARY:**

This bill allows a municipality, by ordinance, to impose a surcharge of up to 50 cents on the admission charge to events private colleges and universities sponsor or promote at facilities located in the municipality. The bill makes the colleges and universities sponsoring or promoting the events, or their successor organizations, responsible for paying the surcharge. It requires them to (1) collect it from purchasers and (2) remit it to the municipality within 30 days after the event.

The surcharge applies to amounts paid for tickets; licenses; skybox, luxury suite, or club seat rentals or purchases; and any other admission charges, including any charges for the right to buy seats. It covers theaters; lecture and concert halls; amusement parks and fairgrounds; dance halls; sporting facilities, such as ball parks, race tracks, tennis courts, golf and miniature golf courses, skating rinks, beaches, swimming pools, and gyms; stadiums and amphitheaters; convention centers; auto, boat, camping, home, dog, and antique shows; and other similar venues and events. It applies in addition to any applicable tax (i.e., admissions tax).

The bill specifies that the tax, when added to the admission charge, is a debt the college or university can recover from the purchaser.

EFFECTIVE DATE: July 1, 2015

BACKGROUND

Admissions Tax

The state imposes a 10% tax on admission charges to any "place of amusement, entertainment or recreation." A reduced rate of 6% applies to movie tickets over \$5.

Certain charges and events are exempt from the tax, including (1) admission charges under \$1; (2) events from which all proceeds go exclusively to a nonprofit organization, provided that organization actively engages in and assumes the financial risk of presenting the event; and (3) other events that the revenue services commissioner considers held primarily to raise money for a nonprofit organization, provided the amount raised is greater than the admission tax that would otherwise be due (CGS § 12-540 et seq.).

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 32 Nay 14 (04/24/2015)